

UNIFIED SCHOOL DISTRICT NO. 407
RUSSELL, KANSAS

FINANCIAL STATEMENT
AND INDEPENDENT AUDITORS' REPORTS

For the Year Ended June 30, 2015

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

For the Year Ended June 30, 2015

TABLE OF CONTENTS

**Page
Numbers**

Independent Auditors' Report.....	1
-----------------------------------	---

Independent Auditors' Report on Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit Of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	5
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Independent Auditors' Report on Compliance For Each Major Program and on Internal control Over Compliance Required by OMB Circular A-133.....	7
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FINANCIAL SECTION

Statement 1	Summary Statement of Receipts, Expenditures and Unencumbered Cash Regulatory Basis.....	9
	Notes to the Financial Statement.....	11

REGULATORY-REQUIRED SUPPLEMENTARY INFORMATION

Schedule 1	Summary of Expenditures - Actual and Budget - Regulatory Basis.....	21
Schedule 2	Schedules of Receipts and Expenditures - Regulatory Basis	

General Funds

2-1 General Fund.....	22
2-2 Local Option Fund.....	26

Special Purpose Funds

2-3 Capital Outlay Fund.....	28
2-4 Driver Training Fund.....	29
2-5 Food Service Fund.....	30
2-6 Professional Development Fund.....	32
2-7 Special Education Fund.....	33
2-8 Vocational Fund.....	36
2-9 Textbook Rental Fund.....	37
2-9 Contingency Reserve Fund.....	37
2-10 At Risk (K-12) Fund.....	38
2-11 KPERS Fund.....	39
2-12 Special Reserve Fund.....	40
2-13 Title I Fund.....	41
2-14 Title II - A Staff Fund.....	42
2-15 Gift & Grants Fund.....	43
2-16 Insurance Pool Fund.....	44
2-16 Scholarship Fund.....	44

Schedule 3	Schedule of Receipts and Disbursements - Regulatory Basis - Agency Funds....	45
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UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

For the Year Ended June 30, 2015

TABLE OF CONTENTS

**Page
Numbers**

Schedule 4	Schedule of Receipts, Expenditures, and Unencumbered Cash - Regulatory Basis - District Activities.....	46
------------	--	----

OTHER SUPPLEMENT INFORMATION

Schedule 5	Schedule of Expenditures of Federal Awards.....	49
Schedule 6	Schedule of Findings and Questioned Costs.....	50
	State Financial Assistance.....	52

GUDENKAUF & MALONE, INC.

Shareholder

Pamela Gudenkauf, CPA

Certified Public Accountants
639 Main Street, P.O. Box 631
Russell, Kansas 67665
(785) 483-6220, Fax (785) 483-6221
email: accountants@gmbinc.net

Shareholder

James Malone, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Education
Unified School District No. 407
Russell, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the Unified School District No. 407, Russell, Kansas, a Municipality, as of and for the year ended June 30, 2015 and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the Kansas Municipal Audit and Accounting Guide as described in Note A to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America, the Kansas Municipal Audit and Accounting Guide and the standards applicable to the financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting

policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note A of the financial statement, the financial statement is prepared by the Unified School District No. 407, Russell, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note A and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Unified School District No. 407 as of June 30, 2015, or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the Unified School District No. 407 as of June 30, 2015, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the Kansas Municipal Audit and Accounting Guide described in Note A.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the 2015 fund summary statement of regulatory basis of receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget, schedule of regulatory basis receipts and expenditures-agency funds, schedules of regulatory basis receipts, expenditures, and unencumbered cash – district activity funds (Schedule 1, 2, 3, and 4 as listed in the table of contents) are presented for purpose of additional analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the Kansas Municipal Audit and Accounting Guide. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note A.

The 2014 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2015 basic financial statement. We rendered an unqualified opinion on the 2014 basic financial statement on February 5, 2015. The 2014 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, at the following link <http://www.admin.ks.gov/offices/chief-financial-officer/municipal-services>. Such 2014 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statement. The 2014 comparative information was subjected to the auditing procedures applied in the audit of the 2014 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2014 basic financial statement or to the 2014 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 comparative information is fairly stated in all material respects in relation to the 2014 basic financial statement as a whole, on the basis of accounting described in Note A.

Our audit was conducted for the purpose of forming an opinion on the financial statement that collectively comprise Unified School District No. 407, Russell, Kansas financial statement as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and is not a required part of the financial statement of Unified School District No. 407, Russell, Kansas. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated, in all material respects, in relation to the financial statement taken as a whole, on the basis of accounting described in Note A.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2016, on our consideration of the Unified School District 407's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the

scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in considering in assessing the results of our audit.


Gudenkauf & Malone, Inc.

January 28, 2016

GUDENKAUF & MALONE, INC.

Shareholder

Pamela Gudenkauf, CPA

Certified Public Accountants

639 Main Street, P.O. Box 631

Russell, Kansas 67665

(785) 483-6220, Fax (785) 483-6221

email: accountants@gmbinc.net

Shareholder

James Malone, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Board of Education
Unified School District No. 407
Russell, Kansas

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Kansas Municipal Audit and Accounting Guide* the financial statement of Unified School District No. 407 (USD 407), Russell, Kansas, as of and for the year ended June 30, 2015, and the related notes to the financial statement, which collectively comprise USD 407's basic financial statement, and have issued our report thereon dated January 28, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered USD 407's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of USD 407's internal control. Accordingly, we do not express an opinion on the effectiveness of USD 407's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

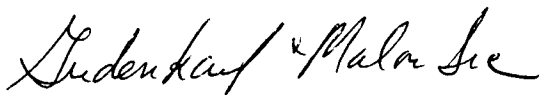
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether USD 407's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Gudenkauf & Malone, Inc.
Russell, Kansas

January 28, 2016

GUDENKAUF & MALONE, INC.

Shareholder

Pamela Gudenkauf, CPA

Certified Public Accountants

639 Main Street, P.O. Box 631

Russell, Kansas 67665

(785) 483-6220, Fax (785) 483-6221

email: accountants@gmbinc.net

Shareholder

James Malone, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Board of Education

Unified School District No. 407

Russell, Kansas

Report on Compliance for Each Major Federal Program

We have audited Unified School District No. 407's (USD 407) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of USD 407's major federal programs for the year ended June 30, 2015. USD 407's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of USD 407's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about USD 407's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of USD 407's compliance.

Opinion on Each Major Federal Program

In our opinion, USD 407, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of USD 407 is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered USD 407's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Unified School District 407's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Gudenkauf & Malone, Inc.
Russell, Kansas

January 28, 2016

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended June 30, 2015

Funds	Beginning Unencumbered Cash Balance	Prior Year Cancelled Encumbrances	Receipts	Expenditures	Ending Unencumbered Cash Balance	Add Encumbrances and Accounts Payable	Ending Cash Balance
GENERAL FUNDS							
General	\$ 18,574	\$ 19	\$ 5,535,003	\$ 5,548,912	\$ 4,684	\$ 818,822	\$ 823,506
Local option	107,588	8	2,044,204	2,083,941	67,859	54,169	122,028
Total General Funds	126,162	27	7,579,207	7,632,853	72,543	872,991	945,534
SPECIAL PURPOSE FUNDS							
Capital outlay	715,000	2,201	818,454	1,401,800	133,855	831,479	965,334
Driver training	10,784	-	6,047	8,165	8,666	4,004	12,670
Food service	159,629	-	526,687	514,737	171,579	3,569	175,148
Professional Development	88,244	-	200	1,587	86,857	190	87,047
Special education	653,253	132	1,470,686	1,472,692	651,379	110,667	762,046
Vocational education	13,759	-	183,312	197,071	-	28,016	28,016
Textbook rental	124,831	-	162,912	149,718	138,025	131,161	269,186
Contingency reserve	556,083	-	-	74,780	481,303	20,715	502,018
At Risk (K-12)	-	-	849,763	849,763	-	15,964	15,964
KPERS	-	-	540,741	540,741	-	-	-
District activity	182,688	-	308,665	309,077	182,276	-	182,276
Special Reserve	483,374	-	1,160,087	812,750	830,711	48,772	879,483
Title I	-	-	174,796	174,796	-	14,471	14,471
Title II - A staff	-	-	48,253	48,253	-	6,644	6,644
Total Special Purpose Funds	2,987,645	2,333	6,250,603	6,555,930	2,684,651	1,215,652	3,900,303
TRUST FUNDS							
Gift Fund	54,117	-	30,200	54,117	30,200	16,254	46,454
Insurance Pool	59,429	-	-	59,429	-	17,545	17,545
Scholarship accounts	8,421	-	1,032	800	8,653	-	8,653
Total Trust Funds	121,967	-	31,232	114,346	38,853	33,799	72,652
Total (Excluding Agency Funds)	\$ 3,235,774	\$ 2,360	\$ 13,861,042	\$ 14,303,129	\$ 2,796,047	\$ 2,122,442	\$ 4,918,489

The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SUMMARY STATEMENT OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended June 30, 2015

Composition of cash

Checking accounts

Sunflower Bank, No. 300-137898	\$	1,016	
Add deposits in transit		184	\$ 1,200
Sunflower Bank, No. 03-175978			
Less outstanding checks			1
Southwind Bank, No. 100-17259			2,449,586
Southwind Bank, No. 100-17267		228,771	
Add deposits in transit		335,218	
Less outstanding checks		<u>(46,652)</u>	517,337
Wilson State Bank, No. 7600243			633,885
Southwind Bank, No. 100-16686		-	-
Southwind Bank, No. 100-17356			1
Southwind Bank, No. 100-16619			1
Southwind Bank, No. 100-17070			10
Southwind Bank, No. 100-16597			7,763
Southwind Bank, No. 100-16678			4,360
Southwind Bank, No. 100-17348			83,409
Southwind Bank, No. 100-17089		128,623	
Less outstanding checks		<u>(1,060)</u>	127,563
Southwind Bank, No. 100-57412			246,050
Southwind Bank, No. 100-57609			879,483

Savings Account

Southwind Bank, No. 10016589			926
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Certificates of Deposit

Southwind Bank, No. 13545			7,726
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Petty Cash

Central Office			<u>300</u>
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Total Cash			4,959,601
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Agency Funds Per Schedule 3			<u>(41,112)</u>
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Total Reporting Entity (excluding agency funds)			<u>\$ 4,918,489</u>
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The notes to the financial statement are an integral part of this statement.

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

NOTES TO FINANCIAL STATEMENT

June, 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Municipal Financial Reporting Entity

Unified School District No. 407 is a municipal corporation governed by an elected seven-member board. The District operates four public schools with attendance centers in the City of Russell, within the County of Russell, Kansas. The regulatory financial statement presents the USD 407 of Russell, Ks (the municipality) and does not include any related municipal entities.

Basis of Presentation and Basis of Accounting

Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America. The *Kansas Municipal Audit and Accounting Guide* (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis receipts and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The District has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

Regulatory Basis Fund Types

General Fund - The chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund - Used to account for the proceeds of specific tax levies and other specific regulatory receipt sources (other than capital project and tax levies for long-term debt) that are intended for specified purpose.

Bond and Interest Fund - Used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund - Used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment.

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

NOTES TO FINANCIAL STATEMENT

June, 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Business Fund – funds financed in whole or in part by fees charged to users of the goods or services (i.e. enterprise and internal service fund, etc.)

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds which benefit the municipal reporting entity, scholarship funds, etc.)

Agency Fund – funds used to report assets held by the municipal reporting entity in a purely custodial capacity (payroll clearing fund, county tax collection accounts, student activity funds, etc.)

Budgetary Information

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in regulatory receipts other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There was one such budget amendment for this year.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which, regulatory receipts are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

NOTES TO FINANCIAL STATEMENT

June, 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

prior year's accounts payable and encumbrances. Encumbrances are commitments by the District for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital project funds and trust funds and the following special purpose funds:

Textbook Rental	Contingency Reserve
District Activity	Special Reserve
Title I	Title II – A staff
Gifts & Grants	

Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

Reimbursements

A reimbursement is an expenditure initially made in one fund, but properly attributable to another fund. For example, it is common for the general fund to pay a vendor's bill and have portions of it reimbursed by other funds. In accounting for such reimbursements, USD 407 records an expenditure in the reimbursing fund, and a reduction of expenditure in the reimbursed fund, following the authoritative guidance provided under KMAAG regulatory basis accounting.

Property Taxes

The determination of assessed valuations and the collection of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County appraiser annually determines assessed valuations based on real estate transactions recorded by the Register of Deeds and personal property transactions reported by taxpayers. The County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county.

In accordance with state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Property taxes are assessed on a calendar year basis and become a lien on property on November 1 of each year. The taxes are due one-half on December 20th and one-half the following May 10th. Any taxes unpaid at the due dates are considered delinquent.

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

NOTES TO FINANCIAL STATEMENT

June, 30, 2015

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Collection of current year property tax by the County Treasurer is not completed, apportioned or distributed to the various subdivisions until the succeeding year, such procedure being in conformity with governing state statutes. Consequently, current year property taxes receivable are not available as a resource that can be used to finance the current operation of the District and therefore are not susceptible to accrual.

Undistributed taxes from the prior year levy are recognized as income in the current year. It is not practicable to apportion delinquent taxes held by the County Treasurer at the end of the audit period and, further, the amounts thereof are not material to the financial statement taken as a whole.

NOTE B – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Compliance with Kansas Statute

USD 407 has no cash or budget statute violations.

NOTE C – DEPOSITS & INVESTMENTS

K.S.A. 9-1401 establishes the depositories which may be used by the District. The statute requires banks eligible to hold the District's funds have a main or branch bank in the county in which the District is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The District has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the District's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The District has no investment policy that would further limit its investment choices.

Concentration of credit risk. State statutes place no limit on the amount the District may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405.

Custodial credit risk - deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. State statutes require the District's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

NOTES TO FINANCIAL STATEMENT

June, 30, 2015

NOTE C – DEPOSITS & INVESTMENTS - CONTINUED

during designated “peak periods” when required coverage is 50%. All deposits were legally secured at June 30, 2015.

At June 30, 2015, the District’s carrying value of deposits was \$4,959,601 and the bank balance was \$4,671,613. The difference between the carrying amount and the bank balance is outstanding checks and deposits. The bank balance was held by three banks resulting in a concentration of credit risk. Of the bank balance, \$751,017 was covered by federal depository insurance, \$3,920,596 was collateralized with securities held by the pledging financial institutions’ agents in the District’s name.

Custodial credit risk - investments. For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE D – IN-SUBSTANCE RECEIPT IN TRANSIT

The District received \$335,218 subsequent to June 30, 2015 and as required by K.S.A. 72-6417 and 72-6434 the receipt was recorded as an in-substance receipt in transit and included as a receipt for the year ended June 30, 2015.

NOTE E – INTERFUND TRANSACTIONS

Operating transfers were as follows:

<u>From</u>	<u>To</u>	<u>Statutory Authority</u>	<u>Amount</u>
Local Option	Vocational Education	K.S.A. 72-6433	\$114,000
General	Special Education	K.S.A. 72-6428	952,254
Local Option	Food Service	K.S.A. 72-6433	107,112
Local Option	Special Education	K.S.A. 72-6433	203,145
Local Option	Textbook	K.S.A. 72-6433	129,328
General	At Risk	K.S.A. 72-6428	541,124
Local Option	At Risk	K.S.A. 72-6433	308,639
General	Vocational Education	K.S.A. 72-6428	69,312

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS

Other Post Employment Benefits. As provided by K.S.A. 12-5040, the municipality allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the municipality is subsidizing the retirees

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

NOTES TO FINANCIAL STATEMENT

June, 30, 2015

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS - CONTINUED

because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the municipality makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

Termination Benefits. A teacher is eligible for early retirement benefits if such teacher is:

1. Currently a full-time employee of the school district;
2. has at least ten (10) years of eligible service with KPERS and with the school district; and
3. either qualified under applicable KPERS rules and regulations for full KPERS retirement benefits without reduction or not less than fifty-five (55) years and not more than sixty-four (64) years of age on September 1 of the school year in which the teacher submits application for early retirement benefits. Changes in KPERS retirement law will necessitate changes.

A teacher taking early retirement benefits shall have the option to maintain health insurance coverage through the school district's health insurance program by agreeing to pay their own monthly premium amounts.

Any teacher wishing to retire early before the normal retirement age of 65, will receive compensation as follows:

1. A benefit of \$9,000 will be paid for retirement at age sixty-two (62) or less. The teacher may receive the \$9,000 in three (3) annual payments consisting of \$5,000 the first year, \$2,500 the second year, and \$1,500 the third year; in two annual payments of \$4,500 each; or in one (1) lump sum payment of \$9,000.
2. A benefit of \$7,500 will be paid for retirement at age sixty-three (63). The teacher may receive the \$7,500 in two (2) annual payments; or in one (1) lump payment of \$7,500;
3. A benefit of \$5,000 will be paid for retirement at age sixty-four (64). If retiring at age sixty-four (64), the teacher must take the \$5,000 in one (1) lump sum payment.

An eligible teacher who takes early retirement which is subject to KPERS reduction will be entitled to receive annually from the school district a sum of money, i.e., early retirement benefits, equal to the difference between the benefit the teacher would receive, through

KPERS, if the teacher was at normal retirement age as defined by KPERS. The reduction (difference) will be calculated by the KPERS Board. This benefit will expire when the

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

NOTES TO FINANCIAL STATEMENT

June, 30, 2015

NOTE F – OTHER LONG-TERM OBLIGATIONS FROM OPERATIONS - CONTINUED

teacher reaches eligibility for full social security benefits or age sixty-eight (68), whichever occurs first.

In fiscal year 2015, 3 teachers and 1 administrator took early retirement.

Compensated Absences.

Sick Leave – In recognition of service rendered, and accumulated sick leave which was unused, the separability pay shall be paid to any qualifying teacher, administrator, or classified employee under the following conditions:

Displacement – Any teacher, administrator, or classified employee with five or more years of service in the school district shall receive 20% of their daily rate for the current standard contract scheduled salary, multiplied by their total number of accumulated, unused sick leave days. Such separability pay shall be subject to payroll taxes. Payment of separability pay will not apply to administrators, teachers, and classified employees whose employment is terminated by the school district for cause, which shall not include reduction in force.

Retirement – Any teacher, administrator, or classified employee with ten or more years of service in this school district achieving retirement requirements, shall receive 35% of their daily rate for the current standard scheduled salary, multiplied by the total number of accumulated, unused sick leave days. Such separability pay shall be subject to payroll taxes.

Unified School District No. 407, Russell, Kansas, has employees eligible for separability pay who have accumulated a total of 5,146 unused sick leave days as of and for the year ended June 30, 2015. The estimated liability for unused sick leave at June 30, 2015 is \$222,402, of which \$200,800 is attributable to 53 employees with ten or more years of service who are eligible for retirement.

NOTE G – DEFINED BENEFIT PENSION PLAN (KPERS)

Plan Description. The Unified School District No. 407, Russell, Kansas participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et seq. KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100, Topeka, KS 66603-3869) or by calling 1-888-275-5737.

Funding Policy. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. Effective July 1, 2009 KPERS has two benefit structures and

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

NOTES TO FINANCIAL STATEMENT

June, 30, 2015

NOTE G – DEFINED BENEFIT PENSION PLAN (KPERS) - CONTINUED

funding depends on whether the employee is a Tier 1 or Tier 2 member. Tier 1 members are active and contributing members hired before July 1, 2009. Tier 2 members were first employed in a covered position on or after July 1, 2009. Kansas law establishes the KPERS member- employee contribution rate of 5% of covered salary for Tier 1 members for January through December 2014 then 6% for January through December 2015 and at 6% of covered salary for Tier 2 members. Member employees' contributions are withheld by their employer and paid to KPERS according to the provisions of section 414(h) of the Internal Revenue Code.

The State of Kansas contributed 12.12% of covered payroll for the school pay dates occurring during period July 1, 2014 to September 30, 2014, 9.5% for the pay dates during October 1, 2014 through March 30, 2015 and 11.91% for pay dates of April 1, 2015 to June 30, 2015.

For the employer rates for school-type municipalities that hire a KPERS retiree, please see the main KPERS site at <http://www.kpers.org/employers/contributionrates.htm>.

The State of Kansas contribution to KPERS for all school municipalities for the year ending June 30, 2015 received as of June 30 was \$350,628,289.

Net Pension Liability. The total pension liability for KPERS was determined by an actuarial valuation as of December 31, 2013, which was rolled forward to June 30, 2014. As of June 30, 2014 the net pension liability for KPERS was \$8,291,794,910. KPERS has determined the District's proportionate share of the net pension liability is \$7,483,725 as of June 30, 2014. The complete actuarial valuation report including all actuarial assumptions and methods is publically available on the website at www.kpers.org or can be obtained as described in the first paragraph above.

NOTE H – SELF-FUNDED HEALTH INSURANCE FUND

The District participates in a self-insurance fund program for medical, dental, and prescription insurance, which covers active, full-time teachers and half-time teachers who work 3 ½ hours per day. The plan also covers active, full-time employees who work at least 1,200 hours per employment year, and active part-time employees who work at least 17 ½ hours per work during the employment year.

Premiums from the employees and the District are paid to Blue Cross Blue Shield (BCBS), the plan supervisor. The premiums are available to pay claims and administrative cost of the program. The agreement to participate provides that BCBS will be partially self-sustaining through member premiums. The District purchases commercial insurance, from BCBS, for claims in excess of an annual stop loss deductible of \$ 796,292.94.

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

NOTES TO FINANCIAL STATEMENT

June, 30, 2015

NOTE I – CLAIMS AND JUDGMENTS

The District participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District may be required to reimburse the grantor government. As of the date of this report, grant expenditures have not been audited, but the District believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from the prior year and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations the District is a party to various claims, legal actions and complaints. It is the opinion of the District's management and legal counsel that these matters are not anticipated to have a material financial impact on the District.

NOTE J – RELATED PARTY TRANSACTIONS

In a governmental entity, related parties include members of the governing body, board members, administrative officials, and immediate families of administrative officials, board members, and members of the governing body. Required disclosures on related party transactions do not include compensation arrangements, expense allowances and similar items incurred in the ordinary course of operations.

NOTE K – OPERATING LEASE

The District entered into a lease agreement with Mail Finance. The lease is for two postage machines. The lease is for five years beginning April 2013, with annual payments of \$6,420.

The District entered into a lease agreement with Dealers First Financial LLC. The lease is for four district copiers. The lease is for five years beginning October 14, 2011, with monthly payments of \$1,152, a fiscal yearly total of \$13,824.

The District entered into a three year lease agreement with Dell to obtain Dell Venues and Dell Latitudes for a total lease agreement of \$265,415.23, with annual payments of \$88,471.74.

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

NOTES TO FINANCIAL STATEMENT

June, 30, 2015

NOTE L – SUBSEQUENT EVENTS

Management has evaluated the effects on the financial statement of subsequent events occurring through January 28, 2016 which is the date at which the financial statement was available to be issued.

UNIFIED SCHOOL DISTRICT NO. 407

RUSSELL, KANSAS

REGULATORY-REQUIRED

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED

JUNE 30, 2015

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

Funds	Certified Budget	Adjustment to Comply with Legal max	Adjustment for Qualifying Budget Credits	Total Budget for Comparison	Expenditures Chargeable to Current Year	Variance Over (Under)
GENERAL FUNDS						
General	\$ 5,576,155	\$ (31,971)	\$ 4,728	\$ 5,548,912	\$ 5,548,912	\$ -
Local option	2,083,941	-	-	2,083,941	2,083,941	-
SPECIAL PURPOSE FUNDS						
Capital outlay	1,539,119	-	-	1,539,119	1,401,800	(137,319)
Driver training	8,584	-	-	8,584	8,165	(419)
Food service	514,738	-	-	514,738	514,737	(1)
Professional development	88,244	-	-	88,244	1,587	(86,657)
Special education	1,569,056	-	-	1,569,056	1,472,692	(96,364)
Vocational education	198,759	-	-	198,759	197,071	(1,688)
At risk (K-12)	849,766	-	-	849,766	849,763	(3)
KPERS Fund	646,860	-	-	646,860	540,741	(106,119)
Totals	<u>\$ 13,075,222</u>	<u>\$ (31,971)</u>	<u>\$ 4,728</u>	<u>\$ 13,047,979</u>	<u>\$ 12,619,409</u>	<u>\$ (428,570)</u>

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

GENERAL FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and shared revenue				
Ad valorem property tax	\$ 1,637,452	\$ 664	\$ -	\$ 664
Delinquent tax	19,429	-	-	-
Mineral production tax	76,097	56,359	78,010	(21,651)
State aid				
Equalization aid	3,018,979	4,703,585	4,678,960	24,625
SDAC	10,726	4,728	-	4,728
Special education	777,362	765,667	804,050	(38,383)
Other receipts				
Other revenue	276	4,000	-	4,000
Transfer-Driver Training	50,000	-	-	-
Total receipts	<u>5,590,321</u>	<u>5,535,003</u>	<u>\$ 5,561,020</u>	<u>\$ (26,017)</u>
Expenditures and transfers subject to legal max budget				
Instruction				
Certified salaries	1,561,731	1,716,152	1,756,329	(40,177)
Substitute teacher salaries	61,731	54,449	80,393	(25,944)
Health Insurance	6,378	-	-	-
Social security	123,213	132,671	140,509	(7,838)
Other	21	14,202	-	14,202
Teaching supplies	26,088	3,719	135,884	(132,165)
At-risk certified salaries	89,282	-	-	-
Total instruction	<u>1,868,444</u>	<u>1,921,193</u>	<u>2,113,115</u>	<u>(191,922)</u>

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

GENERAL FUND - Continued

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Student/instruction support services				
Library salaries	\$ 41,005	\$ 42,456	\$ 42,456	\$ -
Library secretary	26,127	27,048	28,548	(1,500)
Counselor salaries	159,190	170,575	168,970	1,605
Health nurse salaries	13,003	13,464	13,464	-
Health Insurance	-	-	-	-
Social security	17,099	20,226	19,004	1,222
Health services supplies	3,070	2,154	-	2,154
Teacher travel and expense	90	390	-	390
Total student/instruction support services	259,584	276,313	272,442	3,871
General administration				
Administrative supplies	32,767	25,752	-	25,752
Computer supplies and maintenance	15,801	6,524	-	6,524
School board expense-postage, etc.	14,570	25,289	-	25,289
Other board expense	7,295	28,326	-	28,326
Board clerk salary	71,749	8,000	51,035	(43,035)
Contracted services - central office	12,175	15,978	35,000	(19,022)
Superintendent salary	122,185	152,304	125,821	26,483
Central office staff salaries	43,745	56,699	56,680	19
Social security	17,635	16,111	17,865	(1,754)
Telephone	5,895	5,006	7,955	(2,949)
Total general administration	343,817	339,989	294,356	45,633

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

GENERAL FUND - Continued

		2015		Variance
	2014	Actual	Budget	Over
	Actual			(Under)
School administration				
Principal salaries	\$ 308,977	\$ 285,230	\$ 285,230	\$ -
Non-certified salaries	98,690	156,740	101,986	54,754
Social security	30,661	34,308	29,622	4,686
Telephone, postage	11,850	14,651	15,000	(349)
Total school administration	450,178	490,929	431,838	59,091
Operations and maintenance				
Custodial salaries	268,926	227,296	240,570	(13,274)
Water/sewer	14,758	20,289	25,000	(4,711)
Contracted service - maintenance	16,171	44,240	70,000	(25,760)
Maintenance materials	146,581	124,180	-	124,180
Health Insurance	716	1,000	-	1,000
Electricity	129,274	135,393	135,000	393
Heat	106,557	81,976	115,000	(33,024)
Replacement of equipment	6,818	21,855	-	21,855
New equipment	158,614	104,002	65,484	38,518
Social security	23,609	21,454	18,404	3,050
Total operations and maintenance	872,024	781,685	669,458	112,227
Transfers				
Vocational education	60,000	69,312	60,000	9,312
At Risk (K-12)	550,000	541,127	541,127	-
Special education	996,616	952,254	1,000,000	(47,746)
Total transfers	1,606,616	1,562,693	1,601,127	(38,434)

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

GENERAL FUND - Continued

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Transportation				
Fuel - car	\$ 22,921	\$ 16,241	\$ 55,000	\$ (38,759)
Contracted services - car	5,833	5,181	-	5,181
Garage supplies	3,943	1,075	-	1,075
Total transportation	32,697	22,497	55,000	(32,503)
Vehicle operating services				
Salaries	52,488	60,225	65,600	(5,375)
Social security	2,178	2,311	7,377	(5,066)
Bus motor fuel	32,860	22,238	-	22,238
Supplies	8,025	10,738	-	10,738
Contracted services - bus	17,681	33,303	35,000	(1,697)
Activity drivers	26,270	24,798	30,842	(6,044)
Total vehicle operating services	139,502	153,613	138,819	14,794
Total expenditures	5,572,862	5,548,912	5,576,155	(27,243)
Adjustment for qualifying budget credits	-	-	4,728	(4,728)
Adjustment to comply with legal max	-	-	(31,971)	31,971
Total expenditures and transfers subject to legal max budget	5,572,862	5,548,912	\$ 5,548,912	\$ -
Receipts over (under) expenditures	17,459	(13,909)		
Unencumbered cash, beginning	1,084	18,574		
Cancelled prior year encumbrances	31	19		
Unencumbered cash, ending	\$ 18,574	\$ 4,684		

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

LOCAL OPTION FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental revenues				
State aid	\$ 6,193	\$ 18,839	\$ 23,549	\$ (4,710)
Taxes and shared revenue				
Ad valorem property tax	1,784,596	1,845,625	1,990,167	(144,542)
Delinquent tax	19,576	17,227	14,965	2,262
Motor vehicle tax	155,111	160,298	140,276	20,022
Recreational vehicle tax	2,121	2,215	1,943	272
Other revenue	202	-	-	-
Total receipts	<u>1,967,799</u>	<u>2,044,204</u>	<u>\$ 2,170,900</u>	<u>\$ (126,696)</u>
Expenditures and transfers subject to legal max budget				
Health insurance	615,303	624,518	613,613	10,905
Extra Duty Salaries	12,235	13,277	65,000	(51,723)
Social security	4,745	6,278	4,973	1,305
Teaching supplies	125,193	190,244	240,477	(50,233)
Tech coordinator	50,669	72,296	-	72,296
District insurance	144,116	140,937	160,000	(19,063)
Travel expense	179	30	-	30
Miscellaneous	972	3,095	-	3,095
Office supplies	6,882	9,770	-	9,770
Professional technical services	199,462	130,381	140,239	(9,858)
Equipment replacement	4,920	30,891	-	30,891
Transfers				
Food service	120,000	107,112	158,000	(50,888)
Special education	170,000	203,145	268,000	(64,855)
Vocational education	148,657	114,000	125,000	(11,000)
Textbooks	61,723	129,328	-	129,328
At Risk	261,771	308,639	308,639	-
Professional development	25,000	-	-	-
Total expenditures	<u>1,951,827</u>	<u>2,083,941</u>	<u>2,083,941</u>	<u>-</u>

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

LOCAL OPTION FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Adjustment for qualifying budget credits	\$ -	\$ -	\$ -	\$ -
Adjustment to comply with legal max	-	-	-	-
Total expenditures and transfers subject to legal max budget	<u>1,951,827</u>	<u>2,083,941</u>	<u>\$ 2,083,941</u>	<u>\$ -</u>
Receipts over (under) expenditures	15,972	(39,737)		
Unencumbered cash, beginning	91,616	107,588		
Adjustment to unencumbered cash for prior year canceled encumbrances	<u>-</u>	<u>8</u>		
Unencumbered cash, ending	<u>\$ 107,588</u>	<u>\$ 67,859</u>		

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

CAPITAL OUTLAY FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts				
Taxes and shared revenue				
Ad valorem property tax	\$ 698,588	\$ 733,253	\$ 795,139	\$ (61,886)
Delinquent tax	7,033	6,555	8,832	(2,277)
Motor vehicle tax	46,563	54,011	69,539	(15,528)
Other	637	738	963	(225)
Other receipts				
Interest on investments	12,756	8,105	8,419	(314)
Miscellaneous reimbursements	33,861	15,792	18,500	(2,708)
Total receipts	<u>799,438</u>	<u>818,454</u>	<u>\$ 901,392</u>	<u>\$ (82,938)</u>
Expenditures				
Property and equipment				
Technology/Software	-	21,281	-	21,281
Property-Student Support Services	292,517	300,344	193,250	107,094
Operations and maintenance	30,362	-	77,371	(77,371)
District Maintenance Salary	-	39,205	-	39,205
Employee Benefits Insurance	-	9,288	-	9,288
Social Security	-	2,966	-	2,966
Transportation-new bus	55,654	38,529	100,000	(61,471)
Property-Instruction	-	-	93,000	(93,000)
Total property and equipment	<u>378,533</u>	<u>411,613</u>	<u>463,621</u>	<u>(52,008)</u>
Facility acquisition and construction services				
Site Improvement	-	-	736,325	(736,325)
Repair and remodeling	<u>1,154,668</u>	<u>990,187</u>	<u>339,173</u>	<u>651,014</u>
Total facility acquisition/construction	<u>1,154,668</u>	<u>990,187</u>	<u>1,075,498</u>	<u>(85,311)</u>
Total expenditures	<u>1,533,201</u>	<u>1,401,800</u>	<u>\$ 1,539,119</u>	<u>\$ (137,319)</u>
Receipts over (under) expenditures	(733,763)	(583,346)		
Unencumbered cash, beginning	1,448,765	715,000		
Adjustment to unencumbered cash for prior year canceled encumbrances	<u>(2)</u>	<u>2,201</u>		
Unencumbered cash, ending	<u>\$ 715,000</u>	<u>\$ 133,855</u>		

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

DRIVER TRAINING FUND

		2015		Variance
	2014 Actual	Actual	Budget	Over Over (Under)
Receipts				
Intergovernmental revenues				
State aid	\$ 5,865	\$ 899	\$ 3,825	\$ (2,926)
Other				
Miscellaneous	4,520	5,148	-	5,148
Total receipts	10,385	6,047	\$ 3,825	\$ 2,222
Expenditures				
Instruction				
Teacher salaries	5,600	7,420	7,500	(80)
Social security	417	558	574	(16)
Health Insurance	51	-	-	-
Supplies	95	163	10	153
Motor Fuel - non school bus	343	24	500	(476)
Total Instruction	6,506	8,165	8,584	(419)
Transfers				
General Fund	50,000	-	-	-
Total Transfers	50,000	-	-	-
Total expenditures	56,506	8,165	\$ 8,584	\$ (419)
Receipts over (under) expenditures	(46,121)	(2,118)		
Unencumbered cash, beginning	56,905	10,784		
Unencumbered cash, ending	\$ 10,784	\$ 8,666		

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

FOOD SERVICE FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental revenues				
State aid	\$ 4,573	\$ 4,291	\$ 3,872	\$ 419
Federal aid	239,483	254,152	227,006	27,146
Other receipts				
Lunch/breakfast	137,673	159,492	121,658	37,834
Miscellaneous	198	1,640	200	1,440
Transfers				
Local option	120,000	107,112	158,000	(50,888)
Total receipts	<u>501,927</u>	<u>526,687</u>	<u>\$ 510,736</u>	<u>\$ 15,951</u>
Expenditures				
General administration				
Director's salary	11,229	16,984	16,672	312
Social security	859	1,299	-	1,299
Total General administration	<u>12,088</u>	<u>18,283</u>	<u>16,672</u>	<u>1,611</u>
Operations and maintenance				
Telephone	2,484	2,400	4,404	(2,004)
Electricity	5,000	5,600	5,000	600
Contracted services	4,764	2,485	-	2,485
Supplies	6,506	975	7,500	(6,525)
Total Operations and maintenance	<u>18,754</u>	<u>11,460</u>	<u>16,904</u>	<u>(5,444)</u>
Food service operation				
Cook salaries	172,530	169,553	182,429	(12,876)
Substitute cooks	5,822	7,831	-	7,831
Health Insurance	34,607	32,502	32,502	-
Social security	13,228	13,315	15,231	(1,916)
Supplies	14,725	17,680	-	17,680
Food and milk	225,933	240,525	225,000	15,525
Miscellaneous	6,227	3,588	20,000	(16,412)
Equipment	5,169	-	6,000	(6,000)
Total Food service operation	<u>478,241</u>	<u>484,994</u>	<u>481,162</u>	<u>3,832</u>

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

FOOD SERVICE FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Total expenditures	<u>\$ 509,083</u>	<u>\$ 514,737</u>	<u>\$ 514,738</u>	<u>\$ (1)</u>
Receipts over (under) expenditures	(7,156)	11,950		
Unencumbered cash, beginning	<u>166,785</u>	<u>159,629</u>		
Unencumbered cash, ending	<u>\$ 159,629</u>	<u>\$ 171,579</u>		

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

PROFESSIONAL DEVELOPMENT FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfers				
Local option	\$ 25,000	\$ -	\$ -	\$ -
Miscellaneous	200	200	-	200
Total receipts	25,200	200	\$ -	\$ 200
Expenditures				
Instruction				
Technology Supplies	-	-	5,000	(5,000)
Supplies (books/periodicals)	-	-	2,500	(2,500)
Miscellaneous supplies	-	-	7,500	(7,500)
Secretary Salary	2,100	-	10,000	(10,000)
Certified Salary	-	1,300	5,000	(3,700)
Social Security	160	97	1,148	(1,051)
Inservice	5,871	190	57,096	(56,906)
Total expenditures	8,131	1,587	\$ 88,244	\$ (86,657)
Receipts over (under) expenditures	17,069	(1,387)		
Unencumbered cash, beginning	71,175	88,244		
Adjustment to unencumbered cash for prior year canceled encumbrances	-	-		
Unencumbered cash, ending	\$ 88,244	\$ 86,857		

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

SPECIAL EDUCATION FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts				
SRS Medicaid	\$ 94,067	\$ 95,918	\$ 76,765	\$ 19,153
Reimbursements	2,249	10,338	-	10,338
Federal Aid	209,101	209,031	195,408	13,623
Other receipts	-	-	28,742	(28,742)
Transfers				
General	996,616	952,254	1,000,000	(47,746)
Local option	170,000	203,145	268,000	(64,855)
Total receipts	<u>1,472,033</u>	<u>1,470,686</u>	<u>\$ 1,568,915</u>	<u>\$ (98,229)</u>
Expenditures				
Instruction				
Teacher salaries	435,401	395,207	443,547	(48,340)
Non Certified	-	-	414,343	(414,343)
Substitute teacher salaries	5,877	8,297	-	8,297
Gifted salaries	8,041	7,988	-	7,988
Health insurance	154,374	149,038	149,040	(2)
Social security	33,355	31,329	65,629	(34,300)
Contracted services	50,041	40,190	74,350	(34,160)
Teaching supplies	6,757	9,702	10,000	(298)
Textbooks	-	-	3,000	(3,000)
Equipment	4,847	4,742	10,000	(5,258)
Total instruction	<u>698,693</u>	<u>646,493</u>	<u>1,169,909</u>	<u>(523,416)</u>
Student support services				
Teacher salaries	196,687	198,120	189,959	8,161
Social security	14,621	14,354	14,532	(178)
Health insurance	30,816	30,000	30,000	-
Total student support services	<u>242,124</u>	<u>242,474</u>	<u>234,491</u>	<u>7,983</u>

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

SPECIAL EDUCATION FUND - Continued

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Instruction support staff				
In-district travel	\$ 4,398	\$ 2,940	\$ 5,000	\$ (2,060)
Paraprofessionals	323,543	377,283	-	377,283
Substitute para salaries	3,288	13,028	-	13,028
Inservice	7,548	6,529	7,500	(971)
Social security	24,686	29,437	-	29,437
Total instruction support staff	363,463	429,217	12,500	416,717
General administration				
Administrative travel and expense	1,072	2,161	2,000	161
Administrative supplies	2,150	1,865	3,500	(1,635)
Total general administration	3,222	4,026	5,500	(1,474)
School administration				
Director's salary	83,347	73,329	74,929	(1,600)
Secretary salary	36,669	32,668	30,667	2,001
Social security	8,667	7,838	5,732	2,106
Health insurance	12,881	12,964	12,964	-
Total school administration	141,564	126,799	124,292	2,507
Operations and maintenance				
Custodial and Bus salaries	14,243	15,201	14,580	621
Health insurance	2,228	2,169	2,169	-
Social security	1,051	1,118	1,115	3
Contracted services	2,877	3,536	3,000	536
Telephone	1,409	1,659	1,500	159
Reimbursement expense	1,378	-	-	-
Total operations and maintenance	23,186	23,683	22,364	1,319

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

SPECIAL EDUCATION FUND - Continued

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Total expenditures	<u>1,472,252</u>	<u>1,472,692</u>	<u>1,569,056</u>	<u>(96,364)</u>
Adjustment for qualifying budget credits	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 1,472,252</u>	<u>\$ 1,472,692</u>	<u>\$ 1,569,056</u>	<u>\$ (96,364)</u>
Receipts over (under) expenditures	(219)	(2,006)		
Unencumbered cash, beginning	653,472	653,253		
Adjustment to unencumbered cash for prior year canceled encumbrances	<u>-</u>	<u>132</u>		
Unencumbered cash, ending	<u>\$ 653,253</u>	<u>\$ 651,379</u>		

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

VOCATIONAL EDUCATION FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts				
Transfers				
General	\$ 60,000	\$ 69,312	\$ 60,000	\$ 9,312
Local option	148,657	114,000	125,000	(11,000)
Total Receipts	208,657	183,312	\$ 185,000	\$ (1,688)
Expenditures				
Instruction				
Certified salaries	172,216	151,559	146,820	4,739
Health insurance	785	-	-	-
Social security	12,806	11,431	11,232	199
Supplies	45,387	33,023	40,707	(7,684)
Miscellaneous	320	1,058	-	1,058
Total expenditures	231,514	197,071	\$ 198,759	\$ (1,688)
Receipts over (under) expenditures	(22,857)	(13,759)		
Unencumbered cash, beginning	36,616	13,759		
Adjustment to unencumbered cash for prior year canceled encumbrances	-	-		
Unencumbered cash, ending	\$ 13,759	\$ -		

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

TEXTBOOK RENTAL FUND

	2014 Actual	2015 Actual
Receipts		
Rental fees	\$ 20,679	\$ 33,549
Transfer from Local option	61,723	129,328
Miscellaneous	-	35
Total receipts	<u>82,402</u>	<u>162,912</u>
Expenditures		
Textbooks	<u>120,051</u>	<u>149,718</u>
Total expenditures	<u>120,051</u>	<u>149,718</u>
Receipts over (under) expenditures	(37,649)	13,194
Unencumbered cash, beginning	161,549	124,831
Adjustment to unencumbered cash for prior year canceled encumbrances	<u>931</u>	<u>-</u>
Unencumbered cash, ending	<u>\$ 124,831</u>	<u>\$ 138,025</u>

CONTINGENCY RESERVE FUND

Receipts		
Transfer from general	\$ -	\$ -
Total receipts	<u>-</u>	<u>-</u>
Expenditures		
Certified salaries	17,250	-
Social security	1,320	-
Non-certified salaries	52,313	-
Social security	4,001	-
Equipment Replacement	-	69,050
Purchased Professional & Technical Service	<u>-</u>	<u>5,730</u>
Total expenditures	<u>74,884</u>	<u>74,780</u>
Receipts over (under) expenditures	(74,884)	(74,780)
Unencumbered cash, beginning	<u>630,967</u>	<u>556,083</u>
Unencumbered cash, ending	<u>\$ 556,083</u>	<u>\$ 481,303</u>

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

AT RISK FUND (K - 12)

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts				
Receipts				
Transfers				
General	\$ 550,000	\$ 541,124	\$ 541,127	\$ (3)
Local option	261,771	308,639	308,639	-
Total receipts	811,771	849,763	\$ 849,766	\$ (3)
Expenditures				
Certified salaries	705,713	719,800	719,800	-
Non-certified	37,342	43,236	43,236	-
Benefit pool	10,887	7,500	7,500	-
Social security	56,809	58,011	61,730	(3,719)
Purchased Professional/Technical services	10,000	-	10,000	(10,000)
Teaching supplies	2,903	21,216	7,500	13,716
Total expenditures	823,654	849,763	\$ 849,766	\$ (3)
Receipts over (under) expenditures	(11,883)	-		
Unencumbered cash, beginning	11,883	-		
Adjustment to unencumbered cash for prior year canceled encumbrances	-	-		
Unencumbered cash, ending	\$ -	\$ -		

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

KPERS FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	Budget	
Receipts				
Intergovernmental revenue				
State aid	\$ 548,187	\$ 540,741	\$ 646,860	\$ (106,119)
Total receipts	<u>548,187</u>	<u>540,741</u>	<u>\$ 646,860</u>	<u>\$ (106,119)</u>
Expenditures				
Teachers	349,766	306,805	412,924	(106,119)
At risk	38,112	43,113	43,113	-
Health nurse	25,343	30,465	30,465	-
General administration	25,425	30,473	30,473	-
School administration	47,657	56,205	56,205	-
Custodial	22,372	26,240	26,240	-
Transportation	14,220	17,817	17,817	-
Food service	<u>25,292</u>	<u>29,623</u>	<u>29,623</u>	<u>-</u>
Total expenditures	<u>548,187</u>	<u>540,741</u>	<u>\$ 646,860</u>	<u>\$ (106,119)</u>
Receipts over (under) expenditures	-	-		
Unencumbered cash, beginning	-	-		
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>		

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

SPECIAL RESERVE FUND

	2014 Actual	2015 Actual
Receipts		
Revenue from Other Funds	\$ 829,735	\$ 1,160,087
Transfer from General	-	-
Total receipts	<u>829,735</u>	<u>1,160,087</u>
Expenditures		
Health Care	<u>566,687</u>	<u>812,750</u>
Total expenditures	<u>566,687</u>	<u>812,750</u>
Receipts (under) expenditures	263,048	347,337
Unencumbered cash, beginning	<u>220,326</u>	<u>483,374</u>
Unencumbered cash, ending	<u>\$ 483,374</u>	<u>\$ 830,711</u>

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

TITLE I FUND

	2014 Actual	2015 Actual
Receipts		
Intergovernmental revenue		
Federal aid	\$ 161,395	\$ 174,796
Total receipts	<u>161,395</u>	<u>174,796</u>
Expenditures		
Instruction		
Teacher salaries	46,873	40,974
Paraprofessionals salaries	75,704	79,013
Health insurance	19,338	24,132
Social security	9,148	9,152
Inservice	840	210
Teaching supplies	<u>1,638</u>	<u>7,135</u>
Total instruction	153,541	160,616
General administration		
Director's salary	7,296	13,173
Social security	<u>558</u>	<u>1,007</u>
Total general administration	<u>7,854</u>	<u>14,180</u>
Total expenditures	<u>161,395</u>	<u>174,796</u>
Receipts (under) expenditures	-	-
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	<u>\$ -</u>	<u>\$ -</u>

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

TITLE II - A STAFF FUND

	2014 Actual	2015 Actual
Receipts		
Intergovernmental revenue		
Federal aid	\$ 48,398	\$ 48,253
Total receipts	48,398	48,253
Expenditures		
Administrative salaries	9,023	8,207
Social security	690	628
Consultants	3,004	707
Inservice	35,681	31,107
Materials	-	7,604
Sub Salaries	-	-
Total expenditures	48,398	48,253
Receipts over (under) expenditures	-	-
Unencumbered cash, beginning	-	-
Unencumbered cash, ending	\$ -	\$ -

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

GIFTS AND GRANTS FUND

	2014 Actual	2015		Variance Over (Under)
		Actual	*Budget	
Receipts				
Donations	\$ 27,962	\$ 30,200	\$ -	\$ 30,200
Total receipts	<u>27,962</u>	<u>30,200</u>	<u>\$ -</u>	<u>\$ 30,200</u>
Expenditures				
Certified Salaries	17,755	-	-	-
Social Security	1,313	-	-	-
Supplies	7,590	54,117	54,117	-
RHS Play	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>26,658</u>	<u>54,117</u>	<u>\$ 54,117</u>	<u>\$ -</u>
Receipts over (under) expenditures	1,304	(23,917)		
Unencumbered cash, beginning	52,813	54,117		
Adjustment to unencumbered cash for prior year canceled encumbrances	<u>-</u>	<u>-</u>		
Unencumbered cash, ending	<u>\$ 54,117</u>	<u>\$ 30,200</u>		

* Budget for informational purposes only.

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND EXPENDITURES

Regulatory Basis

For the Year Ended June 30, 2015

(With comparative actual totals for the prior year ended June 30, 2014)

INSURANCE POOL FUND

	2014 Actual	2015 Actual
Receipts	\$ 884,197	\$ -
Expenditures	853,054	59,429
Receipts over (under) expenditures	31,143	(59,429)
Unencumbered cash, beginning	28,286	59,429
Unencumbered cash, ending	\$ 59,429	\$ -

SCHOLARSHIP FUND

	2014 Actual	2015 Actual
Receipts		
Brundage Scholarship	\$ 1,000	\$ 1,000
Interest Income	39	32
Total receipts	1,039	1,032
Expenditures		
Instruction		
Brundage Scholarship	1,000	500
Flora Bigler Memorial	300	300
Total expenditures	1,300	800
Receipts (under) expenditures	(261)	232
Unencumbered cash, beginning	8,682	8,421
Unencumbered cash, ending	\$ 8,421	\$ 8,653

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

Regulatory Basis

For the Year Ended June 30, 2015

AGENCY FUNDS

	Beginning Cash balance July 1, 2014	Cash receipts	Cash disbursements	Ending Cash balance June 30, 2015
STUDENT ORGANIZATION FUNDS				
<u>Ruppenthal Middle School</u>				
Bronco Pride	\$ 15,915	5,934	3,965	\$ 17,884
Student council	1,346	4,702	4,961	1,087
Total Ruppenthal Middle School	17,261	10,636	8,926	18,971
<u>Russell High School</u>				
Class of 1954	569	300	-	869
Class of 2015	2,010	470	357	2,123
Class of 2016	875	4,870	4,686	1,059
Class of 2017	451	490	101	840
Class of 2018	1,165	512	1,242	435
Explorers club	985	-	-	985
F.F.A.	9,449	48,953	51,311	7,091
Kay club	268	-	-	268
Key Club	2,668	649	2,305	1,012
Letterman's club	82	-	-	82
National honor society	332	190	485	37
Pep club	300	-	-	300
Russell wear	1,362	3,398	3,598	1,162
SADD	144	-	-	144
Spanish club	693	165	554	304
Student council	4,852	2,424	2,740	4,536
Vocal Music	259	1,086	742	603
Total Russell High School	26,464	63,507	68,121	21,850
Total Student Organization Funds	\$ 43,725	\$ 74,143	\$ 77,047	\$ 40,821
Payroll Clearing Fund	3,871	753	4,333	291
Total Agency Funds	\$ 47,596	\$ 74,896	\$ 81,380	\$ 41,112

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended June 30, 2015

DISTRICT ACTIVITY FUNDS

Funds	Beginning unencumbered cash	Prior Year Cancelled Encumbrance	Cash receipts	Expenditures	Ending unencumbered cash balance	Add outstanding encumbrances and accounts payable	Ending Cash Balance
<u>Russell High School</u>							
All school play	\$ 2,949	\$ -	\$ 5,176	\$ 4,796	\$ 3,329	\$ -	\$ 3,329
Art club	816	-	-	252	564	-	564
Athletics	50,873	-	127,911	119,648	59,136	-	59,136
Athletic Training	1,325	-	600	1,642	283	-	283
Band	842	-	1,473	1,362	953	-	953
Bob Popp Memorial	3,025	-	-	500	2,525	-	2,525
Building fund	3,137	-	2,096	1,404	3,829	-	3,829
Cheerleaders	3,610	-	7,398	9,170	1,838	-	1,838
Concessions	10,025	-	33,476	35,915	7,586	-	7,586
Counselor's Acct	512	-	543	513	542	-	542
Dance	2,787	-	2,212	2,418	2,581	-	2,581
Driver's Education	-	-	9,460	9,460	-	-	-
Enrollment Fees	-	-	16,537	16,417	120	-	120
Faculty	7	-	668	600	75	-	75
FB Meals, t-shirts, ins.	513	-	-	-	513	-	513
General	1,000	-	-	-	1,000	-	1,000
Helen Schulte Memorial	2,610	-	-	-	2,610	-	2,610
Holocaust class	5	-	-	-	5	-	5
Library	198	-	-	-	198	-	198
SAFE	2,931	-	100	1,183	1,848	-	1,848
McDonald's grant	507	-	-	-	507	-	507
Media-Tech	1,070	-	-	-	1,070	-	1,070
National Business Honor	331	-	567	214	684	-	684
Power lifting	1,443	-	535	848	1,130	-	1,130
Project Prom	41	-	666	707	-	-	-
Regional music	25	-	-	-	25	-	25
Resale	10	-	-	-	10	-	10
RHS natural helpers	303	-	-	167	136	-	136
Scholars bowl	1,365	-	490	519	1,336	-	1,336
Scholarships	7,494	-	5,047	5,661	6,880	-	6,880
Spirit clinic	903	-	-	70	833	-	833
Theater - ITS	175	-	-	75	100	-	100
Vocational agriculture	1,557	-	1,514	1,905	1,166	-	1,166
Wood shop	220	-	5,350	5,516	54	-	54
Yearbook/journalism	3,080	-	5,326	6,159	2,247	-	2,247
 Total Russell H.S.	 105,689	 -	 227,145	 227,121	 105,713	 -	 105,713

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended June 30, 2015

DISTRICT ACTIVITY FUNDS

Funds	Beginning unencumbered cash	Prior Year Cancelled Encumbrance	Cash receipts	Expenditures	Ending unencumbered cash balance	Add outstanding encumbrances and accounts payable	Ending Cash Balance
<u>Ruppenthal Middle School</u>							
A La Carte	\$ 308	\$ -	\$ -	\$ 260	\$ 48	\$ -	\$ 48
Art	552	-	2,190	2,217	525	-	525
Athletics	27,279	-	28,828	31,265	24,842	-	24,842
Box Tops for Education	392	-	243	180	455	-	455
Builders club	188	-	556	65	679	-	679
Builders fund	2,409	-	15	-	2,424	-	2,424
Business & Computer Ed.	852	-	210	22	1,040	-	1,040
Concessions	2,751	-	11,170	9,682	4,239	-	4,239
Gifts	15,506	-	1,200	477	16,229	-	16,229
Library	155	-	2,199	2,106	248	-	248
Life Management	112	-	-	-	112	-	112
McDonalds Grant	51	-	3,190	-	3,241	-	3,241
Music	1,623	-	3,044	2,229	2,438	-	2,438
OWLS	10	-	-	-	10	-	10
Principal's Council	359	-	95	359	95	-	95
Quiz bowl	1,517	-	520	344	1,693	-	1,693
Science Olympiad	3	-	-	-	3	-	3
Student activity	1,081	-	1,848	514	2,415	-	2,415
Technology	1,981	-	1,761	179	3,563	-	3,563
Yearbook	1,541	-	980	2,380	141	-	141
Total Ruppenthal M.S.	58,670	-	58,049	52,279	64,440	-	64,440

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF RECEIPTS, EXPENDITURES AND UNENCUMBERED CASH

Regulatory Basis

For the Year Ended June 30, 2015

DISTRICT ACTIVITY FUNDS

Funds	Beginning unencumbered cash	Prior Year Cancelled Encumbrance	Cash receipts	Expenditures	Ending unencumbered cash balance	Add outstanding encumbrances and accounts payable	Ending Cash Balance
<u>Bickerdyke Elementary</u>							
Art	\$ 490	\$ -	\$ -	\$ 424	\$ 66	\$ -	\$ 66
Book Fees	-	-	5,703	5,703	-	-	-
Pictures	917	-	2,241	1,821	1,337	-	1,337
Library	1,166	-	2,943	2,528	1,581	-	1,581
Owls	155	-	-	-	155	-	155
BES bunch	55	-	533	557	31	-	31
Donations/grants	8,141	-	3,029	9,980	1,190	-	1,190
Total Bickerdyke Elem.	10,924	-	14,449	21,013	4,360	-	4,360
<u>Simpson Elementary</u>							
Pictures	1,596	-	586	500	1,682	-	1,682
School supplies	207	-	100	100	207	-	207
Book Rent	-	-	2,880	2,880	-	-	-
Building Fund	907	-	274	-	1,181	-	1,181
Pop	272	-	-	254	18	-	18
Donations/grants	2,758	-	1,295	1,833	2,220	-	2,220
Tutoring	453	-	715	180	988	-	988
Library	682	-	1,931	1,932	681	-	681
Art	209	-	800	545	464	-	464
School activities	321	-	441	440	322	-	322
Total Simpson Elem.	7,405	-	9,022	8,664	7,763	-	7,763
Total all funds	\$ 182,688	\$ -	\$ 308,665	\$ 309,077	\$ 182,276	\$ -	\$ 182,276

OTHER SUPPLEMENTAL INFORMATION

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2015

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor's Number	Expenditures	
<u>U.S. Department of Agriculture</u>				
Passed through Kansas State				
Board of Education:				
Child Nutrition Cluster				
Cash for Commodities	10.555	3530-3500	\$	203,828
School breakfast program	10.553	3529-3490		47,273
SFS	10.559	3230-3020		<u>3,051</u>
Total Child Nutrition Cluster				254,152
Total U.S. Department of Agriculture				254,152
<u>U.S. Department of Education</u>				
Passed through Kansas State				
Board of Education:				
Special Ed Cluster				
Special education-grants to states	84.027	3234-3050		203,739
Special education-preschool grants	84.173	3535-3550		<u>5,292</u>
Total Special Ed Cluster				209,031
Title I - Low Income	84.010	3532-3520		174,796
Title II - Improving teacher quality	84.367	3526-3860		<u>48,253</u>
				223,049
Total Department of Education				432,080
<u>U.S. Department of Health and Human Services</u>				
Medical Assistance Program	93.778			74,602
				74,602
Total all funds			\$	760,834

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Unified School District No. 407, Russell, Kansas, and is presented using the accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audit of States, Local Governments, and Non-Profit Organizations*.

UNIFIED SCHOOL DISTRICT NO. 407
 RUSSELL, KANSAS
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2015

Findings and Questioned Costs - Major Federal Award Programs Audit

There are no prior audit findings.

Summary of Auditors' Results

- 1 The opinions express in the independent auditors' report were:

☒ Unqualified ☐ Qualified ☒ Adverse ☐ Disclaimer
 (Regulatory Basis) (GAAP)

- 2 The independent auditors' report on internal control over financial reporting described:

Significant deficiency noted considered a material weakness? ☐ Yes ☒ No

Significant deficiency noted that are not considered to be a material weakness? ☐ Yes ☒ No

- 3 Noncompliance considered material to the financial statement was disclosed by the audit? ☐ Yes ☒ No

- 4 The independent auditors' report on internal control over compliance with requirements applicable to major federal award programs described:

Significant deficiency noted considered a material weakness? ☐ Yes ☒ No

Significant deficiency noted that are not considered to be a material weakness? ☐ Yes ☒ No

- 5 The opinion expressed in the independent auditors' report on compliance with requirements applicable to major federal awards was:

☒ Unqualified ☐ Qualified ☐ Adverse ☐ Disclaimer

- 6 The audit disclosed findings required to be reported with Section 510(a) of OMB Circular A-133? ☐ Yes ☒ No

- 7 The Organization's major programs were:

<u>Cluster/Program</u>	<u>CFDA Number</u>
Title II - Improving Teacher Quality	84.367
Title I - Low Income	84.010

**UNIFIED SCHOOL DISTRICT NO. 407
RUSSELL, KANSAS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2015**

8 The threshold to distinguish between Type A and Type B programs as those terms are defined in OMB Circular A-133 was \$300,000.

9 The Organization qualified as a low-risk auditee as that term is defined in OMB Circular A-133?

☒

Yes

☐

No

Findings Required to be Reported by Government Auditing Standards

No findings required to be reported by Government Auditing Standards.

Findings Required to be Reported by OMB Circular A-133

No findings required to be reported by OMB Circular A-133.

UNIFIED SCHOOL DISTRICT NO. 407, RUSSELL, KANSAS

**STATE FINANCIAL ASSISTANCE
For the Year Ended June 30, 2015**

General Fund	\$ 5,469,252
KPERS Fund	540,741
Food Service Fund	4,291
Supplemental General Fund	18,839
Drivers Education Fund	899
Professional Development	200
Gift Fund	200
Misc	<u>500</u>
 Total state financial assistance	 <u>\$ 6,034,922</u>